CLASSIFICATION ENTINGETIAL, CONTROL - U.S. CPTICIALS COLY Approved For Refease 200 1/03/05 COAR BP82-0045 1 ROOG 100 INFORMATION REPORT CD NO. CATE THE TR 19 Jan 51 Chinese Communist Surveillance of Nationalist NO. OF PAGES 1 and U.S. Ship Movements, Recruiting of Seamen in Hong Kong. NO. OF ENCLS 25X1A SUPPLEMENT TO 25X1X REPORT NO.

In June 1950 the Chinese Communists or anized four reconnaissance groups to watch ship movements along the Chinese coast. The first group was stationed in Shanghai, the second in Foochow, the third in Swatow, and the fourth in Yulin, Hainen. The fourth group is divided into five sections and is stationed as follows: Hsisha (112-00, 16-00), Peihai (109-05, 21-24), Pingching Bay (108-00, 20-00), Wanshan (113-00, 21-00), and Shanwei (115-00, 22-00).

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- In order to watch the movements of Nationalist and U.S. warships, the fourth group has organized the Nan Hai Fishing Company in Yulin. Agents of the Nan Hai Fishing Company operave radios on regular commercial boats. The company obtained this privilege by claiming it would help solve financial and technical problems for commercial fishermen.
- In October, the Nan Hai Fishing Company received twelve new fishing boats from dockyards in Canton and Shanwa'. It has also asked OCHI (A) is ), a Japanese Communist, to buy eight steel-hulled 100-ton fishing boats in Japan for use in collecting information in Nationalist areas. Each boat can be equipped with two No.5mm anti-aircraft gume.
- In early November the Nan Hai Fishing Company sent its business manager, If early november the Man hal rishing Company sent its business manager, P'AN Kuo-hsiung (海 道),\* to Hong Kong o employ additional crew members for its boats. P'AN was accompanied by a Japanese, SHOU P'u (首 河 an engineer employed by the Hai Yang (海 洋) Fishing Company, Hong Kong. They hired fourteen men for the Ner Hai Fishing Company, two of whom are CHIN Wen-te (全 文 德) and TS'Al Tz'u-k'uei (奈 康 全).

25X1A Comment. PAN has been previously associated with the recruitment of Japanese and Korean seamen for the Climese Communists.

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